

**CLARK COUNTY**  
**FINANCE COMMITTEE**

**FOURTH QUARTER, 2005**



**January 24, 2006**

**CLARK COUNTY**  
**FINANCE COMMITTEE**  
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## **SECTION I – October 20, 2005 MINUTES**

### **REGULAR MEETING MINUTES CLARK COUNTY FINANCE COMMITTEE MEETING October 20, 2005 1:30 p.m. PSC Conference Room 678A**

**Members in Attendance:** Doug Lasher, Chair  
Greg Kimsey, Secretary

**Others in Attendance:** Bill Barron, BOCC, John Payne, Jack Rasmusson, Lori Pearce, Treasurer's Office

**Recording:** Kathleen Smithline

The meeting was called to order by Doug Lasher, Chair, at 1:35 p.m. with a quorum present.

#### **APPROVAL OF MINUTES**

**MOTION** was made by Doug Lasher, seconded by Greg Kimsey, and unanimously carried to approve the Minutes of August 25, 2005.

#### **APPROVAL OF COUNTY FINANCE REPORT**

Jack Rasmusson presented an overview of the third-quarter, 2005, County Finance Report, which included investment strategies, economic and market conditions, and a review of the portfolio as of September 30, 2005. He stated the County's investment objectives, which are safety of principle, liquidity, and return on investment.

- The GDP was at 3.3% for the third quarter of 2005, down from 3.8% at the end of second quarter, 2005. Over the last 40 quarters, the final GDP numbers reflect the average GDP to be about 3.2951%. The economy is still performing above average with continual higher energy prices and the removal of accommodation by the Federal Reserve Board through higher interest rates.
- The final Consumer Confidence number for the end of September was 86.6 while the second-quarter ending number was 106.2. This drop was the lowest in two years. The average over the last 40 quarters has been 111.57. The hurricanes have taken a toll on the consumer alarming retailers who are concerned about how good retail sales for Christmas will be.
- The unemployment rate increased to 5.1% for the end of the third quarter, up by .1% from the end of the second quarter rate of 5.0%. There are concerns that not all of the effects from the hurricanes are reflected yet in this number. Another major concern is that the number of manufacturing jobs continues to drop.
- The average pool balances are up 2% for the year due to bond being issued by different participants.
- The County pool has outperformed the state pool since its inception in 1989 by \$22.1 million due to the average maturity longevity in the county pool versus the state pool.

#### **Investment Strategy**

- Continue to evaluate short-term investments and place investments in them when their return is higher than the projected Fed Fund rate.

- Continue to maintain a maturity level of seven to eight months in the portfolio while continuing to look for value in the one year sector.
- Continue to maintain a ladder structure.

**MOTION** was made by Greg Kimsey, seconded by Doug Lasher, and unanimously carried to approve the County Finance Report for Third-Quarter, 2005.

## **PFM REPORT**

Jack Rasmusson presented Public Financial Management's overview of the County's investments for third quarter, 2005.

- The economic impact from Hurricane Katrina will be short lived with increasing interest rates at a measured pace.
- The average maturity of the County's pool portfolio shortened from 7.2 months to 6.7 months due to market conditions.
- The asset allocation of the portfolio continued to increase allocation to Certificates of Deposit modestly during the third quarter.
- The County maintained a low exposure to credit risk and market risk.
- The portfolio remains highly liquid and within the recommended ranges.

## **Investment Strategy Recommendations**

- Maintain the average maturity of the portfolio within 6.5 to 8 months
- Emphasize new purchases within the six-month to one-year maturity range.
- Continue to evaluate short-term money market instruments relative to overnight rates.

## **OUTSTANDING DEBT REPORT**

Lori Pearce presented the County Debt Status Report as of September 30, 2005. At the end of the third quarter, the total outstanding debt of Clark County and the junior taxing districts totaled approximately \$894 million compared to \$888 million on June 30, 2005. The report reflects new issues for third quarter, 2005 and upcoming debt issues for the fourth quarter, 2005; line of credit history; registered warrants history; Clark County Road line of credit, and a listing of outstanding debt as of September 30, 2005.

## **OTHER**

Public Financial Management's representative Barbara Fava will be here for the next meeting. .

**MOTION** was made by Doug Lasher, seconded by Greg Kimsey, and unanimously carried to adjourn the meeting.

Submitted by: \_\_\_\_\_  
Greg Kimsey, Secretary

Prepared by: \_\_\_\_\_  
Kathleen Smithline, Administrative Assistant

## **SECTION II - EXECUTIVE SUMMARY**

This report provides a review of the activities occurring during the fourth quarter, 2005, in compliance with our Investment Policy and Standards adopted November 2002.

During the fourth quarter of 2005, the average maturity of the portfolio remained at approximately 6.9 months which was the same maturity as third quarter of 2005. The asset sector distribution of the portfolio changed during the fourth quarter, with approximately 53.06% of the portfolio invested in Federal Agencies, 27.47% invested in money markets, 14.76% invested in Certificates of Deposits, 4.18% invested in Commercial Paper and .53% invested in Municipal Bonds. This is compared with the third quarter of 2005's asset allocation of 51.71% of the portfolio invested in Federal Agencies, 28.32% invested in money markets, 18.99% invested in Certificates of Deposits, 53% invested in Municipal Bonds and .45% invested in Treasury Securities. At the end of December 2005, the total book value of the portfolio was approximately \$474.1 million.

Residual balances for 2005 averaged \$54.1 million per month which was \$739,000 less than the monthly average during 2004. Interest earnings distributed to the County's General Fund during 2005 were \$1,688,980 compared to \$961,214 for the same period of 2004. The increase is a result of higher interest rates in 2005. The average interest rate of the Clark County Investment Pool for 2005 was 2.92% compared to 1.72% in the same period of 2004. Interest earnings for 2005 were higher than the interest projections even after they were revised upwards in October of 2005 to reflect more accurate market conditions by approximately \$83,688.

County Pool balances averaged \$458 million in 2005, compared to an average of \$451 million during the same period of 2004. Interest earnings distributed to the County Pool participants for 2005 were \$13.7 million compared to \$7.8 million for 2004. Clark County funds made up 39.64% of the County Pool. Other major Pool participants include the Evergreen School District at 25.45%, Vancouver School District at 10.34% and all other districts at 24.57%.

The annualized quarterly total return for the County Pool came in at 3.40% compared to the custom Treasury total return index of 3.67%. On a book value return basis, the County Pool rate yielded 3.80%, compared to the custom Treasury Index's book value return of 4.30%. The net asset value of the County Pool ended the quarter at .99863. An unrealized loss of \$582,980 was distributed to the Clark County Pool participants for the fair market value adjustment at the end of December. This is in accordance with our investment policy, fair market value adjustments are made four times per year. The next adjustment will occur at the end of March 2006.

The investment strategy for fourth quarter was to continue to maintain high level of liquidity in the Key Bank and US Bank accounts and invest in short term securities when they would out perform the projected increase in the Fed Funds rates. The US Bank account is tied to the Federal Funds rate and the Key Bank account is tied to the Federal Funds rate plus five basis points. Both accounts increase their rates faster than the Washington LGIP in a raising rate environment. Market information throughout the quarter indicates the Federal Reserve would continue to raise the Federal Funds rates. However, by the end of 2005 a divided opinion was starting to form as to how much farther short term rates would be raised. Certificate of Deposits were purchased to add value to the portfolio when their yields were higher than the projected Federal Funds rate and to help maintain duration of the portfolio. Investing in Federal Agencies continues to be limited in this rising rate environment. The goal of the portfolio for this quarter was to continue to keep portfolio on the shorter end of the average maturity range of 6.5 to 8 months while short term interests continue to rise.

### **SECTION III - 2005 YEAR-TO-DATE**

#### INVESTMENT ACTIVITY:

During 2005, County residual principle balances averaged \$739,370 less than in 2004 on an average monthly basis. Actual average County residual balances on a monthly basis during 2005 have exceeded projections by approximately \$8,520,889 for the year as denoted in the chart below.

Date	2004 Residual Balance	2005 Residual Balance	2005 Projected Residual Balance
January	54,596,788	31,441,518	22,000,000
February	28,859,054	28,958,387	28,000,000
March	28,261,393	29,345,855	34,000,000
April	40,101,928	52,246,810	40,000,000
May	113,347,633	115,797,577	91,000,000
June	63,632,227	66,314,929	50,000,000
July	42,530,372	48,659,829	40,000,000
August	36,458,964	35,531,995	43,000,000
September	32,734,229	32,458,751	30,000,000
October	52,540,171	51,447,682	37,000,000
November	114,770,539	103,305,762	94,500,000
December	50,289,802	53,741,571	37,500,000
Average	54,843,592	54,104,222	45,583,333

Since June 2004, the Fed has raised interest rates thirteen times by 25 basis points each time. This action brought the Fed funds from a 45-year low of 1.00% to 4.25% by the end of December. Actual interest earnings increased to \$1,688,980 in 2005 from \$961,214 during the same period of 2004 due to higher interest rates in 2005. As shown below, total interest earnings for the year are approximately \$111,112 more than the adjusted projected interest earnings for 2005.

Date	2004 Interest Earnings	2005 Interest Earnings	2005 Projected Interest Earnings*
January	78,343	48,411	48,977
February	40,971	43,243	43,019
March	41,422	57,878	57,356
April	57,799	96,691	96,806
May	129,912	293,460	293,538
June	73,299	172,047	172,047
July	43,411	133,261	136,137
August	55,170	100,869	92,991
September	49,916	90,019	86,592
October	85,895	152,252	125,524
November	206,571	324,948	285,450
December	98,505	175,901	139,431
Total	961,214	1,688,980	1,577,868

\* Projected interest earnings for budget year 2005/2006 were increased by \$850,000 in the budget supplement of December of 2005 to reflect market changes.

Shown below, County Pool principle balances averaged nearly \$458 million 2005, compared to \$451 million during same period of 2004, approximately 1.4% higher.

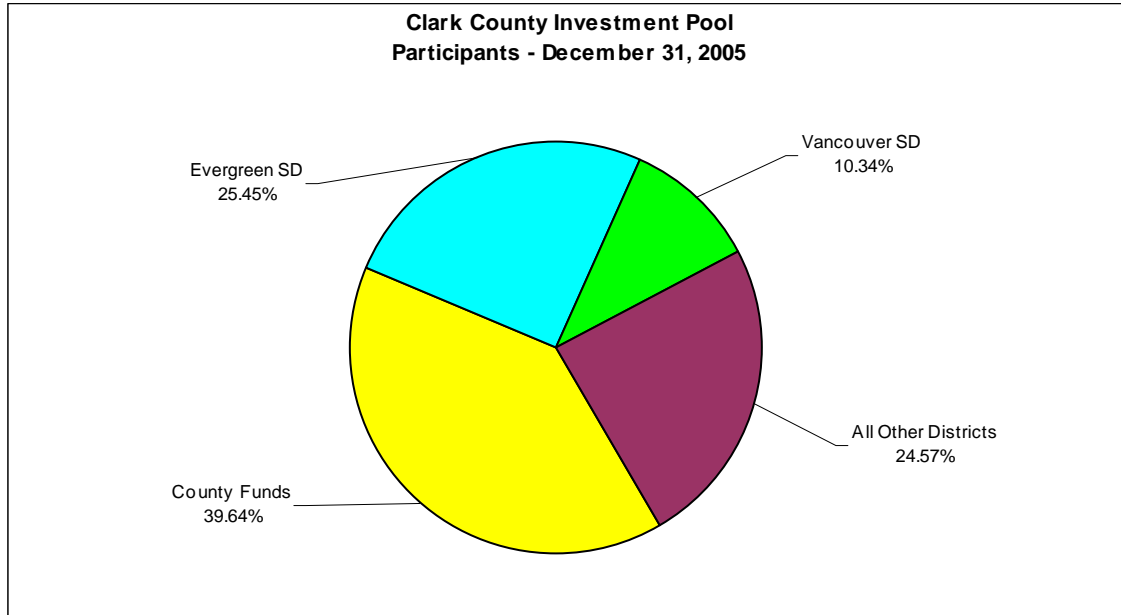
Date	2004 Pool Average Balance	2005 Pool Average Balance
January	447,499,544	412,745,365
February	408,942,068	403,670,700
March	402,182,023	409,191,900
April	438,647,428	423,845,571
May	544,037,116	568,784,439
June	485,785,543	534,484,719
July	433,832,687	450,544,350
August	420,073,304	437,450,935
September	409,242,889	429,307,008
October	427,521,314	443,248,270
November	548,979,416	534,621,558
December	450,520,888	445,299,666
Average	451,438,685	457,766,207

The table below reflects County Pool earnings of approximately \$13.7 million for 2005, compared to \$7.9 million during the same period of 2004, resulting in increased earnings of approximately 74%. This is due to the raising interest rate environment that started in June of 2004 and has continued through 2005.

Date	2004 Pool Interest Earnings	2005 Pool Interest Earnings
January	643,900	635,325
February	580,695	581,897
March	589,850	806,636
April	632,232	783,697
May	623,827	1,434,642
June	558,132	1,386,852
July	441,970	1,234,714
August	635,693	1,241,301
September	624,131	1,190,921
October	698,750	1,310,417
November	987,946	1,680,052
December	882,218	1,454,950
Total	7,899,344	13,741,404

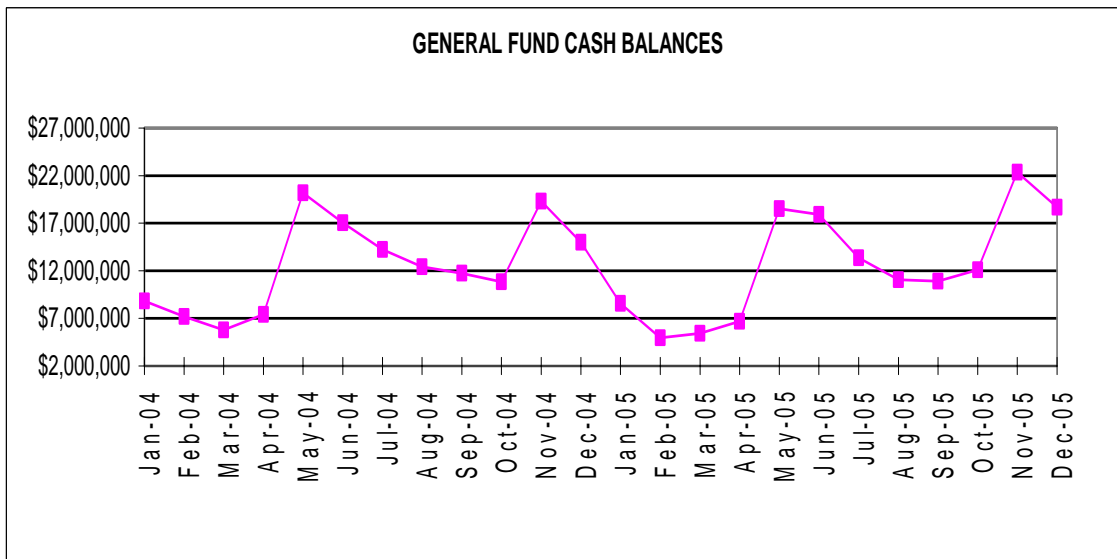
## SECTION IV - QUARTERLY ACTIVITY

**Figure One** shows the major participants in the Clark County Investment Pool for the fourth quarter of 2005. As of December 31, 2005, County funds made up 39.64% of the pool, Evergreen School District – 25.45%, Vancouver School District – 10.34%, and all other districts at 24.57%.



**Figure 1**

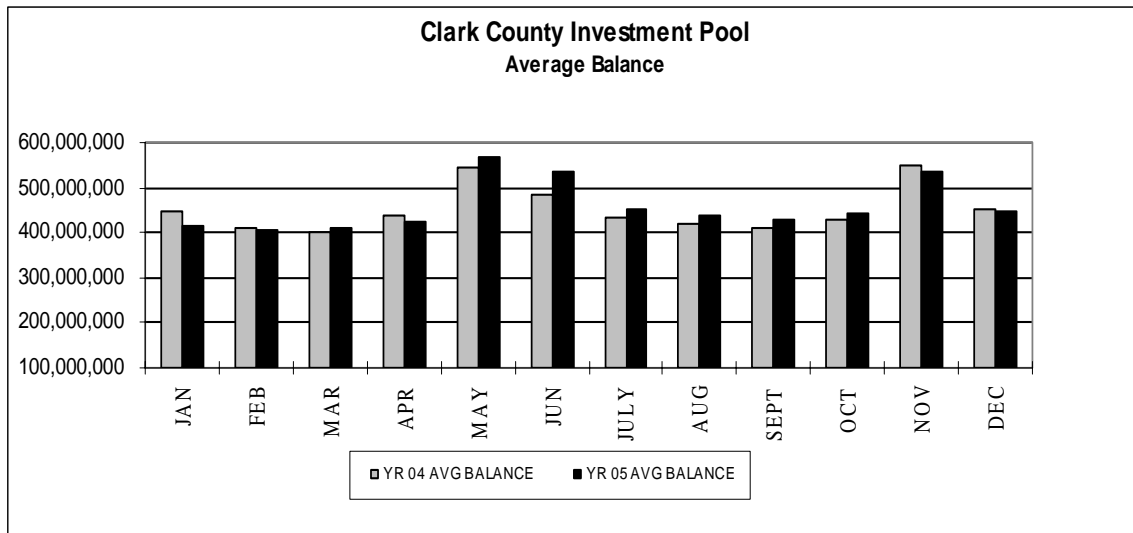
**Figure Two** illustrates month-end General Fund cash balances beginning with January 2004 through December 2005. For the first three quarters of 2005, cash balances in the General Fund decreased over the same period in 2004 by a monthly average of approximately \$826 thousand due to an increase in transfers to other funds.



**Figure 2**

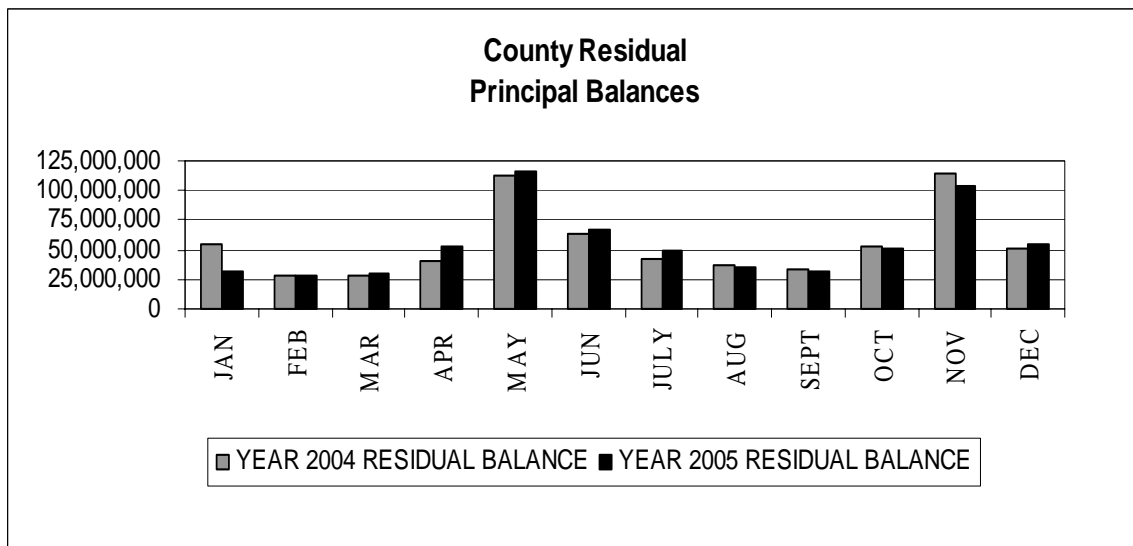


**Figure Three** reflects the average principle balances being maintained within the Pool in 2005 compared to 2004. For 2005, the average monthly principle balance increased above the same period of 2004 levels by an average of \$6.3 million.



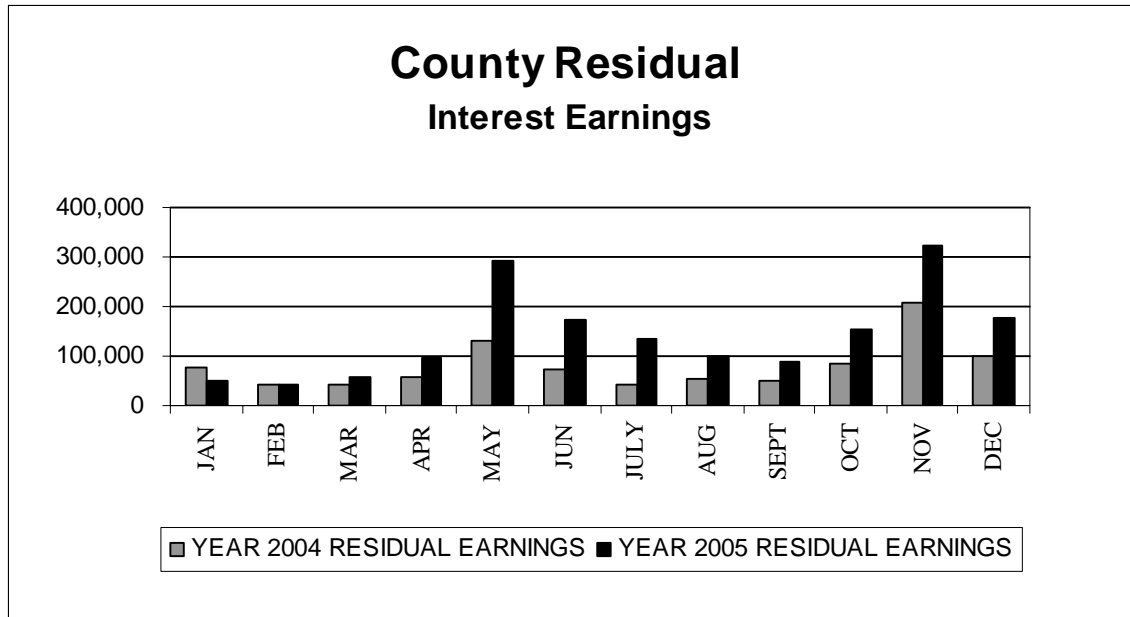
**Figure 3**

**Figure Four** reflects the actual monthly residual principle balances managed by the County for 2004 and 2005. For the current year, residual balances averaged \$739 thousand per month less than in 2004.



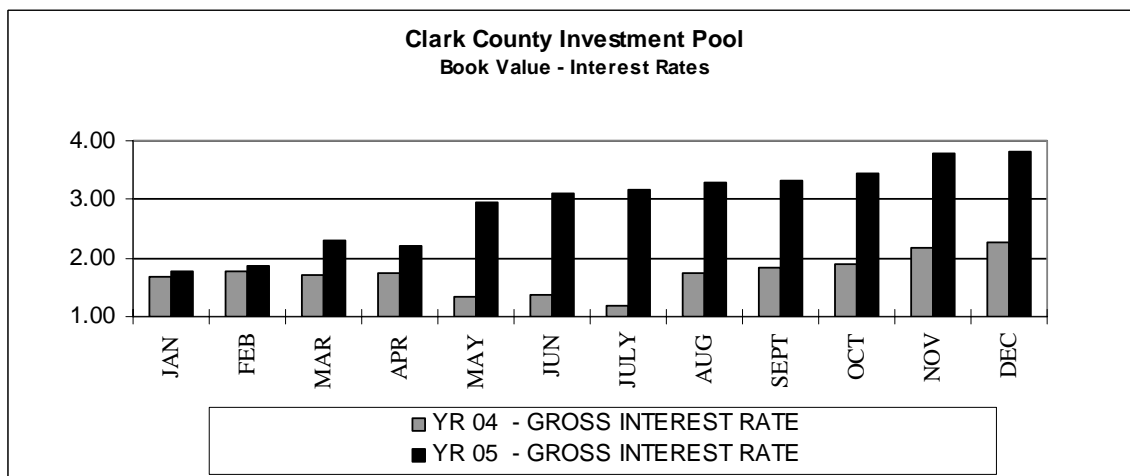
**Figure 4**

**Figure Five** shows interest earnings distributed each month to the County's General fund from 2004 through 2005. During 2005, interest earnings averaged \$60,657 more per month than during the same period in 2004. This is due to an increase in interest rates from 2004 to 2005. On an average monthly basis, \$80,101 was allocated to the General fund during 2004. For the same period of 2005, an average of \$140,758 was distributed to the General fund per month.



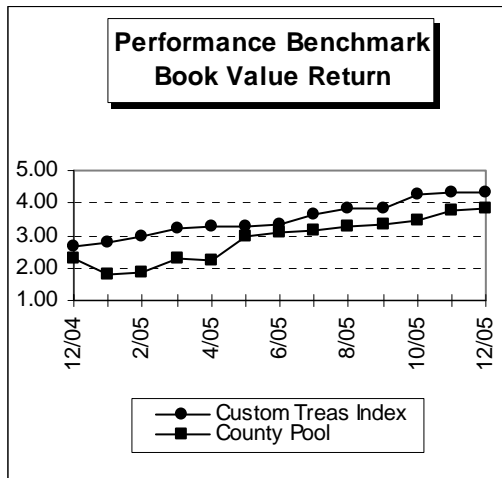
**Figure 5**

**Figure Six** shows the County Pool interest rates for 2004 through 2005. The book value of the County Pool's gross interest rate at the end of 2005 was 3.80% compared to 2.28% at the end of 2004.

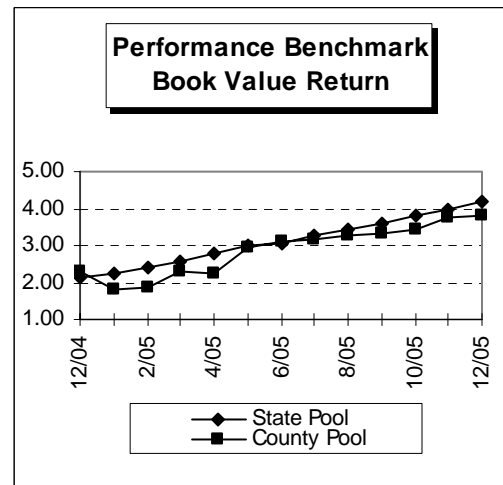


**Figure 6**

**Figures 7 (a) and (b)** compare performance on a book value return basis. The County Pool's interest rate is expressed as the net interest rate (the gross rate less the investment fee). The book value return of a portfolio measures the yield based on the yield of the securities at the time the securities are purchased. These performance benchmarks consist of a composite Treasury Index with an average maturity of nine months and the Washington State Local Government Investment Pool (LGIP) with an average maturity of approximately 35 days. The Clark County Investment Pool has an average maturity of approximately 6.9 months. The Treasury Index and the LGIP closely track current interest rates. At the end of 2005, the County Pool's net rate, on a book value return basis was 3.80%, the Treasury Index was 4.35%, and the State Pool's net rate was 4.20%.

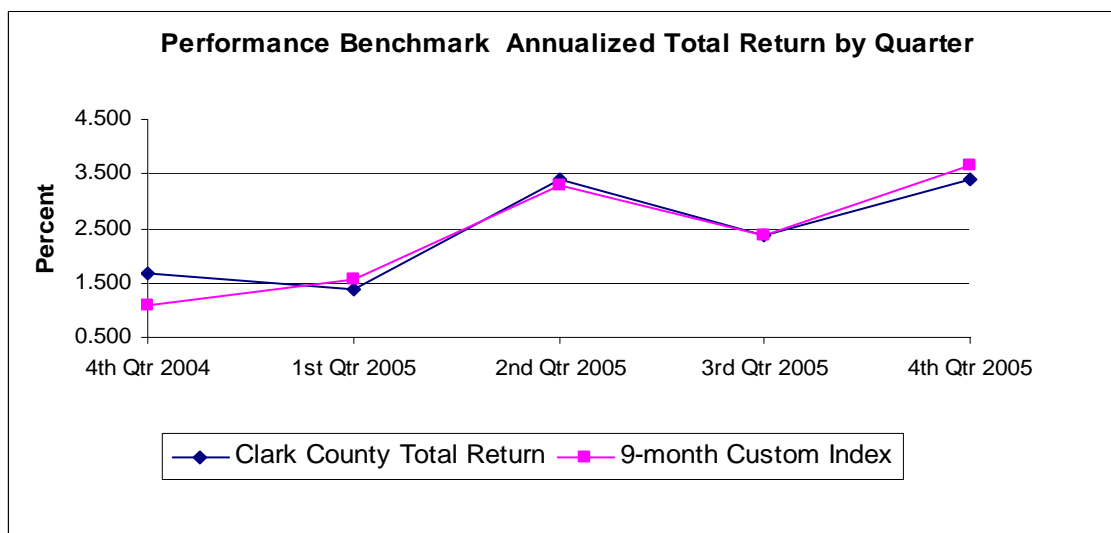


**Figure 7(a)**



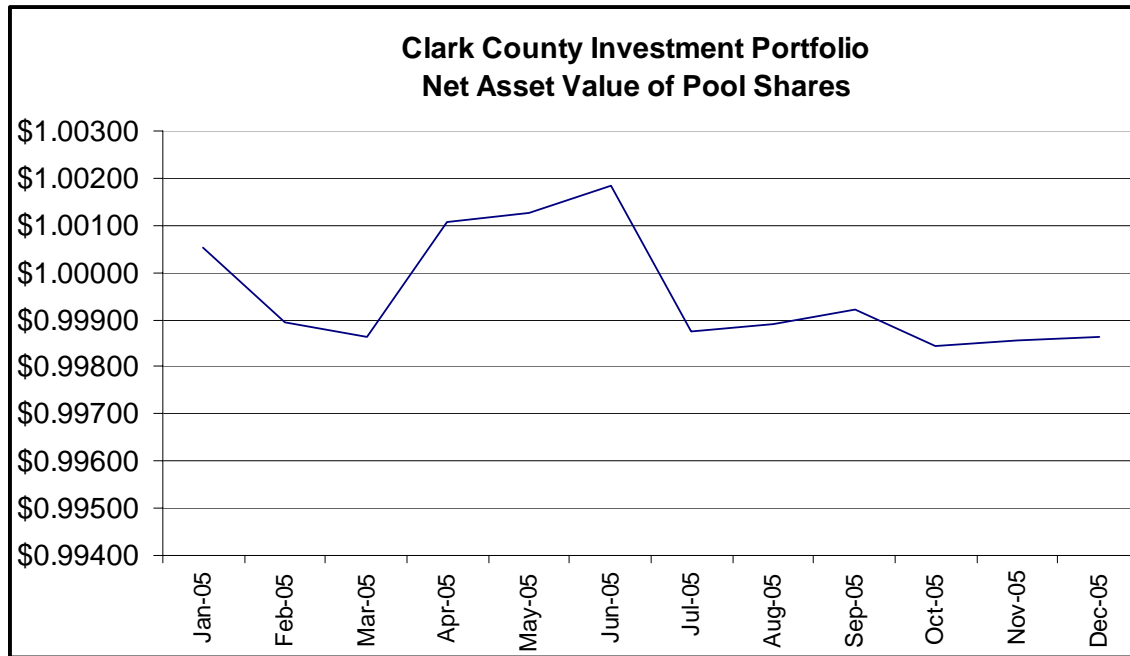
**Figure 7(b)**

**Figure Eight** compares performance on a total return basis. Total return measures the market value increase or decrease in the value of the portfolio over a given period of time and the interest earnings associated with the securities. The customized total return index consists of two Merrill Lynch U.S. Treasury Securities maturing from six months to one year. The annualized return of 2005 for the County Pool was 3.40% and the Treasury Index was 3.67%.



**Figure 8**

**Figure Nine** shows the market value of the Pool portfolio based on net asset value (NAV). As of December 31, 2005, the NAV was 0.99863. GASB Statement 31 requires that External Investment Pools report all investments at fair market value, if the average maturity of the Pool exceeds 90 days. On December 31, 2005, the Treasurer's Office posted approximately \$583 thousand in unrealized losses to the County Pool. The next adjustment for fair market value will occur on March 31, 2006.



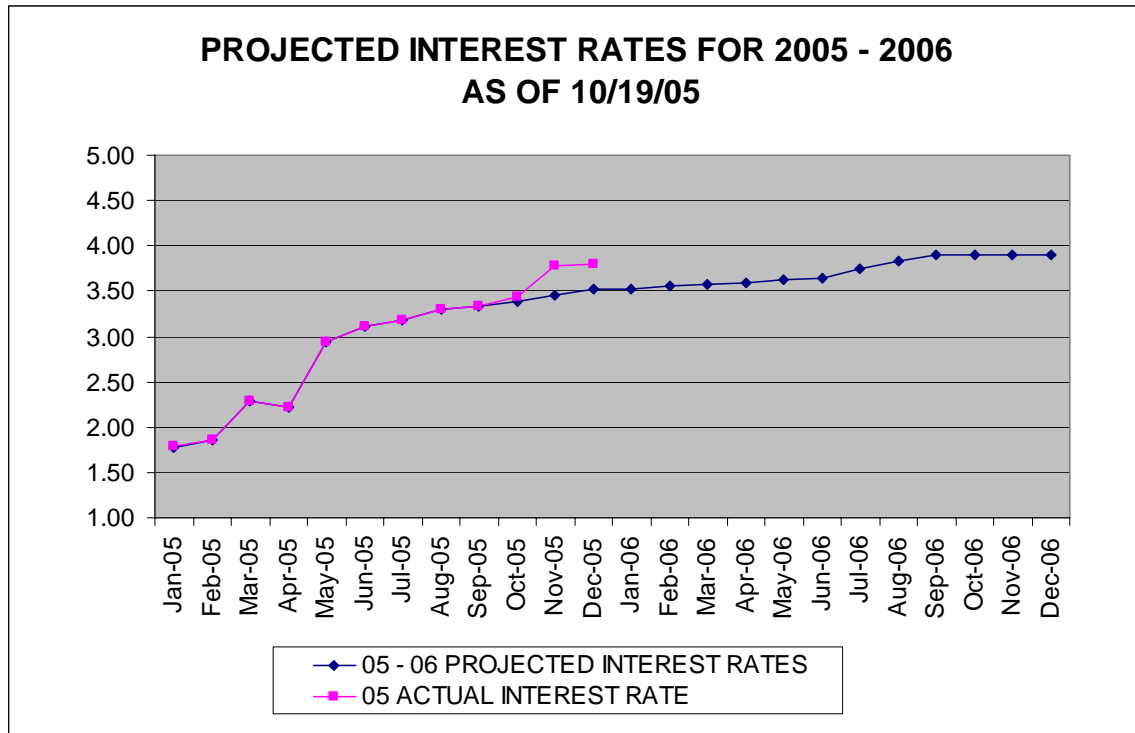
**Figure 9**

**Figure Ten** is a breakdown by year reflecting the total unrealized gains/ (losses) since 1998. Also depicted in figure ten are the increases in county pool earnings due to being invested in longer term securities than the State Pool. As of December 31, 2005 the County Portfolio has posted approximately \$831 thousand in aggregate unrealized losses on a fair market value basis. The County Pool earned approximately \$15.2 million more than if it had just been invested in the State Pool. Annual unrealized gains/ (losses) are the direct result of fluctuating interest rates and longer term maturities.

Year	Unrealized gain/(loss)	Earning Difference County Verses State Pool
1998	566,583	411,930
1999	(2,563,593)	(56,579)
2000	4,038,403	(1,521,015)
2001	2,072,065	4,130,844
2002	295,807	6,867,654
2003	(4,010,663)	5,059,680
2004	(1,270,742)	1,598,223
2005	(831,358)	(1,305,343)
Cumulative	(1,703,498)	15,185,395

**Figure 10**

**Figure Eleven** shows the revised increase of \$850,000 in projected County Pool interest rates for 2005/2006 which were approved in the budget supplement of December of 2005 to reflect market changes compared with actual interest rates.



**Figure 11**

## **SECTION V - INVESTMENT STRATEGY**

The following table shows the percentage distribution of the Clark County Pool maturity periods. As the table indicates, during 2004 emphasis was placed on purchasing securities in the 0 - 2 year maturity sector to target an average maturity of 7 – 8.5 months. In 2005 the emphasis was changed to focus more purchases in the one year maturity sector and continue to allow the portfolio to shorten to an average maturity target to 6.5 – 8 months.

<b>Period</b>	<b>0 - 1 year</b>	<b>1 – 2 years</b>	<b>2 - 5 years</b>
1st quarter, 2004	69%	19%	12%
2 <sup>nd</sup> quarter, 2004	67%	27%	6%
3 <sup>rd</sup> quarter, 2004	72%	20%	8%
4 <sup>th</sup> quarter, 2004	66%	34%	0%
1st quarter, 2005	65%	35%	0%
2 <sup>nd</sup> quarter, 2005	73%	23%	4%
3 <sup>rd</sup> quarter, 2005	71%	26%	3%
4 <sup>th</sup> quarter, 2005	75%	23%	2%

During the fourth quarter of 2005, we maintain a weighted average maturity of 6.5 to 8 months. We continued to monitor our investment strategy and remain proactive as economic conditions fluctuate.

The third quarter 2005 report issued by Public Financial Management, Inc. (PFM) recommended the following sector distributions to maintain the Clark County Investment Pool at a 6.5 to 8.0 month average maturity.

<b>Investment Sector</b>	<b>Recommended Average Maturity</b>	<b>Current Average Maturity</b>	<b>Recommended % of Portfolio</b>	<b>Current % of Portfolio</b>
US Treasury Notes	6 months – 2.00 years	N/A	0% - 20%	0%
Federal Agency Notes/Disc. Notes	6 months – 2.00 years	12 months	40% - 75%	50%
Municipal Obligations	0 months – 2.00 years	1.4 years	0% - 5%	1%
Commercial Paper, Certificates of Deposit, Domestic Banker's Acceptances	0 – 6 months	3.3 months	0% - 40%	21%
State Pool, Bank Deposits	1 day	1 day	20% - 50%	28%
Aggregate Avg. Maturity	6.5 - 8 months	6.9 months		

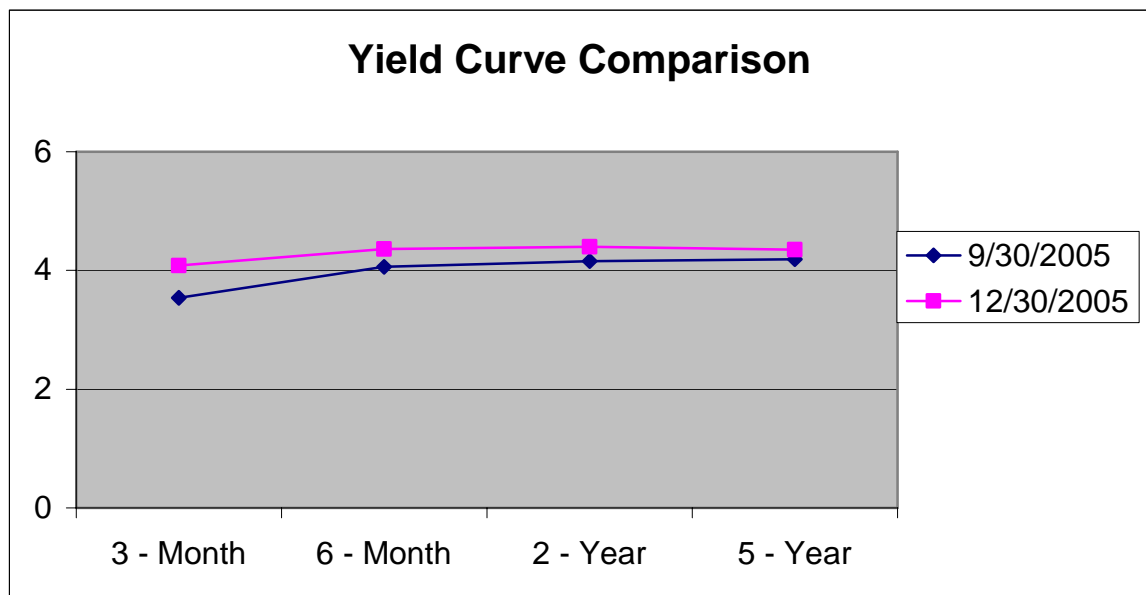
During the fourth quarter of 2005, the percentage of Federal Agencies increased by 3%, Municipal Obligations held steady and the money market sector decreased by 3%.

## **SECTION VI - ECONOMIC/MARKET CONDITIONS**

The US economy added 457,000 jobs during the fourth quarter of 2005 while recovering from a disastrous hurricane season along the coast of the Gulf of Mexico. The unemployment rate dropped .2% during the fourth quarter from 5.1% to 4.9%. Oil prices were at \$61.04 per barrel at the end of the year, which was down from the end of the third quarter price of \$66.24 per barrel. However, oil prices are still up over 40% from the prices at the end of 2004. Falling oil prices momentarily helped Americans save at the pump and feel more confident about spending more money during the holidays. This trend of slightly lower energy prices at the pump is not expected to continue into 2006. The Consumer Confidence Index during the fourth quarter rose 16.1 points to 103.6 in December of 2005. This is the highest level that it has been since the hurricanes last summer. The Manufacturing Index increased 6.9 points from the end of the third quarter to end of the fourth quarter reaching 59.8 points. Any reading above 50 points on the Manufacturing index shows that the manufacturing industry is continuing to grow.

While the economic data for fourth quarter was mixed, the economy overall continued to grow at a sustainable rate showing signs of being able to continue its momentum into 2006. There are some signs that the economy is starting to slow as the housing market is cooling from its red hot pace. Business spending is expected to increase as consumer spending slows. At the moment, the long term inflation outlook looks to be under control with many places reporting that business is continuing to grow. However, this outlook could change quickly as the world energy demands continue to increase with dwindling supplies and unstable suppliers driving energy prices to new levels. This along with many other challenges that face the U.S economy as Alan Greenspan, Chairman of the Federal Reserve prepares to retire. Ben Bernanke is anticipated to replace him as the new Chairman of Federal Reserve. The outlook for 2006 is that the Fed will reach the end of its interest rates tightening soon. Any more changes in short term interest rates after one or two more raises, will be economic data driven.

On December 30, 2005 the 3-month T-bill yielded 4.08% compared to 3.54% on September 30, 2005. The yield curve continues to move up and flatten out.



## **SECTION VII - PORTFOLIO**

**Exhibit One** shows the make up of the entire portfolio at the end of 2005. This exhibit is used to monitor compliance with the Investment Policy as far as the diversification of securities held and the percentage each sector makes up of the total portfolio. All percentages are consistent with the current policy.

**Exhibit Two** shows the complete portfolio listings as of the end of 2005. This report shows the book value, the par value, and the market value of the portfolio as of December 31, 2005.

**Exhibit Three** shows the liquidity of the entire portfolio. All percentages are consistent with the current policy.

**Exhibit Four** reflects the percentage of securities purchased from each issuer relative to the entire portfolio. On December 31, 2005, the average maturity was approximately 6.90 months. All the percentages are consistent with the current policy and PFM recommendations.

**Exhibit Five** shows all investment purchases and maturities from October 1, 2005 through December 31, 2005.

**Exhibit Six** shows the make up of the Clark County Investment Pool at the end of 2005. This exhibit is used to monitor compliance with the Investment Policy as far as the diversification of securities held and related percentage of the total portfolio for each type of security. On December 31, 2005 the average term of the Pool was approximately 6.9 months. All percentages are consistent with the current policy.

**Exhibit Seven** shows the portfolio listings of the Clark County Investment Pool at the end of the fourth quarter. This report contains the book value, the par value, and the market value as of December 31, 2005.

**Exhibit Eight** shows the liquidity of the Clark County Investment Pool. All percentages are consistent with the current policy.

**Exhibit Nine** reflects the percentage of securities purchased from each issuer for the Clark County Investment Pool. All percentages are consistent with the current policy.

**Exhibit Ten** is a comparison of the Clark County Investment Pool to the Washington State Pool.



**Exhibit 1**

**CLARK COUNTY TOTAL INVESTMENT PORTFOLIO  
DISTRIBUTION OF INVESTMENTS BY TYPE  
December 31, 2005**

Investments	Book Value	Percent of Portfolio	Average Days to Maturity	Yield to Maturity	
				360 Equivalent	365 Equivalent
Certificates of Deposit	70,000,000.00	14.76%	120	4.280	4.340
Commercial Paper - Discount	19,823,256.94	4.18%	20	4.190	4.248
Federal Agencies - Semi-annual	251,565,953.51	53.06%	348	3.608	3.658
Passbook/Money Market Accts	130,227,597.84	27.47%	1	4.096	4.153
Municipal Bonds	2,505,083.50	0.53%	492	4.000	4.056
<b>Total</b>	<b>474,121,891.79</b>	<b>100.00%</b>	<b>207</b>	<b>3.868</b>	<b>3.922</b>
Accrued Interest at Purchase	230,599.06				
<b>Total Cash and Investments</b>	<b><u>474,352,490.85</u></b>				

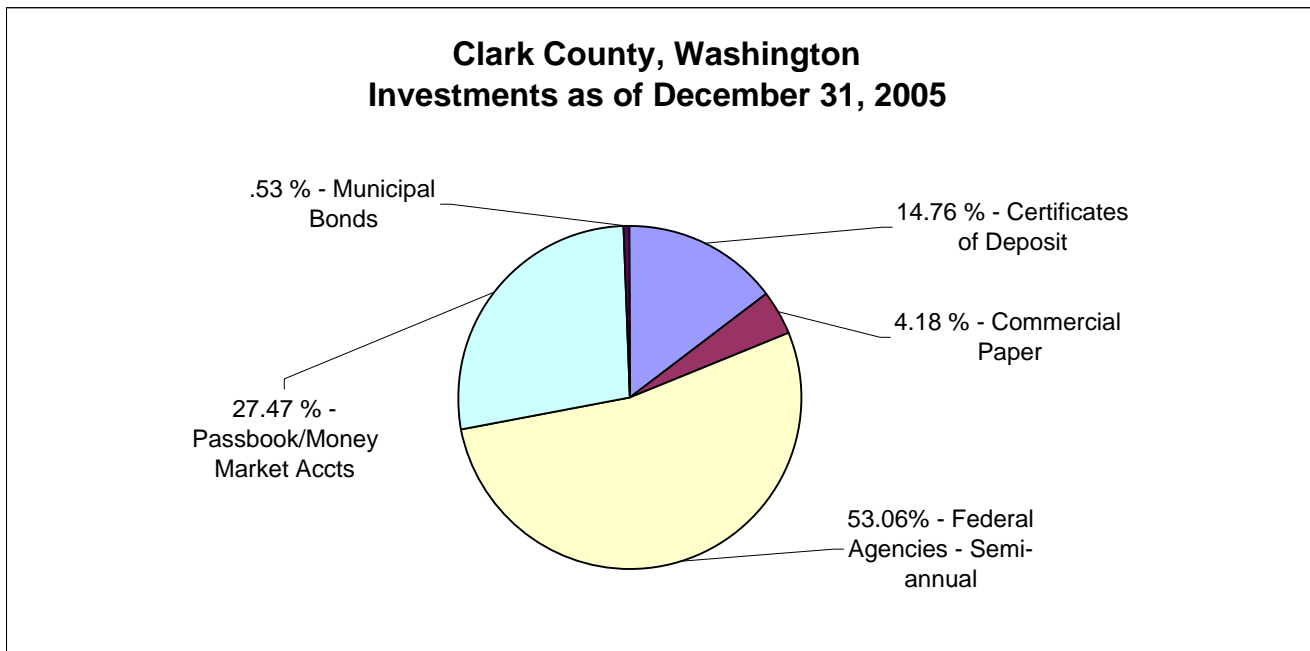


EXHIBIT 2  
**Clark County, Washington**  
**Clark County Investment Portfolio**  
**December 31, 2005**

Investment Number		Purchase Date	Cusip Number	Book Value	Par Value	Market Price	Market Value	Cash Gain/(Loss) on Security	Coupon Rate	Yield to Maturity 360	Yield to Maturity 365	Maturity Date	Days to Maturity
12/30/2005													
Certificates of Deposit													
89983115	Sterling Savings Bank	11/29/2005		10,000,000.00	10,000,000.00		10,000,000.00		4.784	4.784	4.850	11/29/06	332
89983108	Sterling Savings Bank	10/17/2005		10,000,000.00	10,000,000.00		10,000,000.00		4.142	4.142	4.200	02/14/06	44
89983109	Sterling Savings Bank	10/21/2005		10,000,000.00	10,000,000.00		10,000,000.00		4.251	4.251	4.310	03/20/06	78
89983114	US Bank	11/14/2005		10,000,000.00	10,000,000.00		10,000,000.00		4.430	4.430	4.492	05/01/06	120
89983094	Washington Mutual Bank	8/3/2005		10,000,000.00	10,000,000.00		10,000,000.00		3.900	3.900	3.954	01/30/06	29
89983100	Washington Mutual Bank	9/15/2005		10,000,000.00	10,000,000.00		10,000,000.00		4.020	4.020	4.075	06/01/06	151
89983117	Washington Mutual Bank	12/8/2005		10,000,000.00	10,000,000.00		10,000,000.00		4.450	4.450	4.512	04/07/06	96
Subtotal & Averages				70,000,000.00	70,000,000.00		70,000,000.00			4.28	4.34		121
Commercial Paper - Discount													
89983111	General Electric Capital Corp	11/03/05	313589MP5	9,929,044.44	10,000,000.00	99.946	9,994,611.00	65,566.56	-	4.120	4.207	01/04/06	3
89983112	UBS Financial Services	11/10/05	90262DB95	9,894,212.50	10,000,000.00	99.516	9,951,597.00	57,384.50	-	4.185	4.288	02/09/06	39
Subtotal & Averages				19,823,256.94	20,000,000.00		19,946,208.00	122,951.06		4.19	4.25		21
Federal Agencies - Semi Annual Coupon													
61323079	Federal Home Loan Mtg. Corp.	06/28/05	3128X2R9	4,026,715.20	4,080,000.00	99.310	4,051,833.72	25,118.52	2.000	3.641	3.692	04/12/06	101
61323080	Federal Nat'l Mtg Assoc.	06/28/05	31359MRT	3,795,729.60	3,835,000.00	99.259	3,806,572.30	10,842.70	2.500	3.650	3.701	05/12/06	131
61323092	Federal Nat'l Mtg Assoc.	06/30/05	31359MVH	3,510,498.90	3,534,000.00	99.353	3,511,152.34	653.44	3.000	3.705	3.756	06/01/06	151
61323082	Federal Nat'l Mtg Assoc.	06/28/05	31359MVW	2,998,598.40	3,015,000.00	99.280	2,993,297.73	(5,300.67)	3.150	3.649	3.700	06/30/06	180
61323083	Federal Nat'l Mtg Assoc.	06/28/05	3136F47B4	2,694,798.72	2,724,000.00	98.823	2,691,946.69	(2,852.03)	2.750	3.669	3.720	08/17/06	228
61323084	Federal Home Loan Bank	06/28/05	3133X14N4	2,599,905.00	2,625,000.00	98.748	2,592,123.98	(7,781.02)	2.875	3.635	3.685	09/15/06	257
61323085	Federal Home Loan Bank	06/28/05	3133X8NZ1	2,125,821.30	2,155,000.00	98.311	2,118,610.02	(7,211.28)	2.625	3.598	3.648	10/16/06	288
61323086	Federal Home Loan Mtg. Corp.	06/28/05	3128X4AK7	1,860,534.75	1,861,000.00	99.150	1,845,177.59	(15,357.16)	3.750	3.708	3.760	11/15/06	318
61323087	Federal Home Loan Bank	06/28/05	3133XBVC	1,884,547.60	1,885,000.00	99.100	1,868,039.15	(16,508.45)	3.750	3.712	3.764	11/30/06	333
61323088	Federal Home Loan Mtg. Corp.	06/28/05	3134A1KC3	3,544,874.00	3,400,000.00	101.847	3,462,808.20	(82,065.80)	6.700	3.735	3.787	01/05/07	369
61323089	Federal Home Loan Bank	06/28/05	3133X4C66	3,097,831.40	3,155,000.00	97.666	3,081,374.60	(16,456.80)	2.625	3.726	3.778	02/16/07	411
61323090	Federal Nat'l Mtg Assoc.	06/28/05	3136F46R0	5,672,210.85	5,745,000.00	98.026	5,631,568.42	(40,642.43)	3.000	3.740	3.792	02/26/07	421
61323091	Federal Nat'l Mtg Assoc.	06/28/05	31364CA4	500,049.22	475,000.00	102.586	487,283.98	(12,765.25)	6.960	3.778	3.830	04/02/07	456
89982975	Federal Home Loan Mtg. Corp.	09/23/03	3134A4SX	10,073,900.00	10,000,000.00	99.384	9,938,420.00	(35,480.00)	2.375	2.047	2.075	04/15/06	104
89983003	Federal Nat'l Mtg Assoc.	09/22/04	3136F6CF40	10,000,000.00	10,000,000.00	98.797	9,879,666.00	(120,334.00)	3.000	2.959	3.000	09/22/06	264
89983005	Federal Nat'l Mtg Assoc.	10/12/04	3136F6EP0	10,000,000.00	10,000,000.00	98.701	9,870,102.00	(129,898.00)	3.010	2.969	3.010	10/12/06	284
89983013	Federal Home Loan Mtg. Corp.	10/15/2004	3128X3GT4	7,999,375.00	8,000,000.00	99.340	7,947,186.40	(52,188.60)	3.000	2.963	3.004	06/02/06	152
89983014	Federal Nat'l Mtg Assoc.	10/26/04	3136FAF458	10,007,000.00	10,000,000.00	98.406	9,840,594.00	(166,406.00)	3.125	3.048	3.090	12/29/06	362
89983021	Federal Home Loan Mtg. Corp.	11/5/2004	3128X2AH8	9,998,500.00	10,000,000.00	98.510	9,851,043.00	(147,457.00)	3.000	2.966	3.007	11/17/06	320
89983022	Federal Nat'l Mtg Assoc.	11/8/2004	3136FAF458	9,987,000.00	10,000,000.00	98.406	9,840,594.00	(146,406.00)	3.125	3.143	3.187	12/29/06	362
89983034	Federal Home Loan Bank	11/22/04	3133X9KN9	9,975,300.00	10,000,000.00	99.340	9,934,031.00	(41,269.00)	2.875	3.002	3.044	05/22/06	141
89983036	Federal Nat'l Mtg Assoc.	12/17/04	31359MVW0	9,999,260.00	10,000,000.00	99.280	9,928,019.00	(71,241.00)	3.150	3.111	3.154	06/30/06	180
89983049	Federal Nat'l Mtg Assoc.	01/05/05	3159MWX7	9,984,000.00	10,000,000.00	98.706	9,870,588.00	(13,412.00)	3.375	3.413	3.460	12/15/06	348
89983051	Federal Nat'l Mtg Assoc.	02/01/05	31359MXN8	9,992,000.00	10,000,000.00	98.712	9,871,152.00	(120,848.00)	3.550	3.543	3.592	01/30/07	394
89983055	Federal Home Loan Bank	02/17/05	3133MEU66	10,237,370.00	10,000,000.00	100.271	10,027,120.00	(210,250.00)	5.375	3.359	3.406	05/15/06	134
89983056	Federal Farm Credit Bank	02/22/05	3133X8SY9	5,094,500.00	5,000,000.00	99.801	4,990,069.00	(104,431.00)	4.600	3.522	3.571	01/23/07	387
89983065	Federal Home Loan Bank	05/06/05	3133XB5Z4	4,999,250.00	5,000,000.00	99.058	4,952,897.00	(46,353.00)	4.000	3.952	4.007	04/05/07	459
89983066	Federal Home Loan Bank	05/06/05	3133XB5Z4	4,999,500.00	5,000,000.00	99.058	4,952,897.00	(46,603.00)	4.000	3.949	4.004	04/05/07	459
89983067	Federal Home Loan Mtg. Corp.	5/16/2005	3128X4AR2	5,000,000.00	5,000,000.00	99.141	4,957,039.50	(42,960.50)	4.010	3.958	4.013	02/16/07	411
89983068	Federal Home Loan Mtg. Corp.	5/16/2005	3128X4AR2	4,998,750.00	5,000,000.00	99.141	4,957,039.50	(41,710.50)	4.010	3.973	4.028	02/16/07	411
89983077	Federal Home Loan Bank	06/02/05	3133XBVU6	10,009,375.00	10,000,000.00	98.944	9,894,405.00	(114,970.00)	4.450	4.356	4.416	06/02/08	883
89983099	Federal Farm Credit Bank	09/15/05	31331SU3	9,681,570.00	9,700,000.00	99.255	9,627,727.24	(53,842.76)	4.100	4.182	4.240	02/01/07	396
89983102	Federal Home Loan Bank	09/29/05	3133MKEDS	4,823,750.82	4,795,000.00	100.093	4,799,459.35	(24,291.47)	4.875	4.261	4.320	11/15/06	318

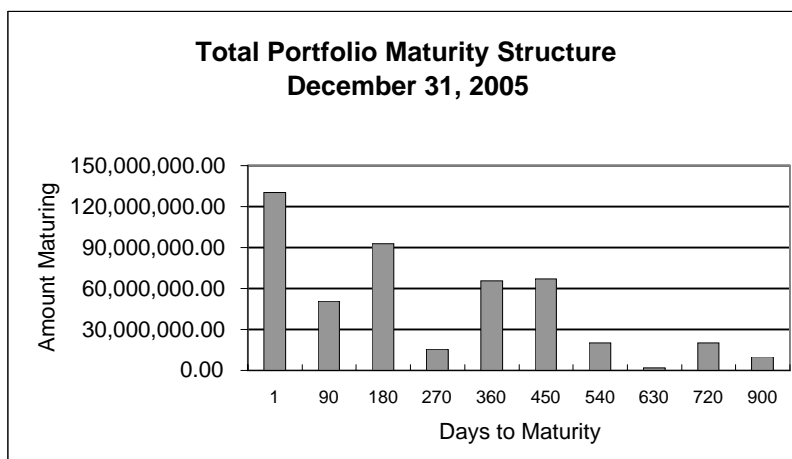
EXHIBIT 2  
**Clark County, Washington**  
**Clark County Investment Portfolio**  
**December 31, 2005**

Investment Number		Purchase Date	Cusip Number	Book Value	Par Value	Market Price 12/30/2005	Market Value	Cash Gain/(Loss) on Security	Coupon Rate	Yield to Maturity 360	Yield to Maturity 365	Maturity Date	Days to Maturity
89983103	Federal Home Loan Bank	09/29/05	3133X2B46	4,914,345.00	5,000,000.00	98.311	4,915,568.50	1,223.50	2.750	4.261	4.320	11/15/06	318
89983104	Federal Home Loan Bank	09/29/05	3133X9R69	9,716,522.75	9,845,000.00	98.626	9,709,708.04	(6,814.71)	3.125	4.261	4.320	11/15/06	318
89983105	Federal Home Loan Bank	10/04/05	3133X7W4	995,070.00	1,000,000.00	99.863	998,625.20	3,555.20	2.500	4.016	4.072	01/27/06	26
89983107	Federal Home Loan Mtg. Corp.	10/13/2005	3128X3Xz	9,793,300.00	10,000,000.00	97.868	9,786,839.00	(6,461.00)	3.000	4.418	4.479	03/28/07	451
89983110	Federal Home Loan Mtg. Corp.	10/24/2005	3128X4SL6	9,999,500.00	10,000,000.00	99.828	9,982,824.00	(16,676.00)	4.750	4.688	4.753	10/24/07	661
89983116	Federal Home Loan Mtg. Corp.	12/2/2005	3128X4SL6	9,974,700.00	10,000,000.00	99.828	9,982,824.00	8,124.00	4.750	4.822	4.889	10/24/07	661
Subtotal & Averages				251,565,953.51	251,829,000.00		249,448,226.44	(2,117,727.07)		3.593	3.643		348
<b>Municipal Bonds</b>													
89983097	Washington State Bonds	09/07/05	93974AJR6	2,015,840.00	2,000,000.00	99.688	1,993,751.40	(22,088.60)	4.500	3.985	4.040	07/01/07	546
89983098	Washington State Bonds	09/14/05	939758AW8	489,243.50	500,000.00	98.13	490,649.65	1,406.15	2.000	4.063	4.119	10/01/06	273
Subtotal & Averages				2,505,083.50	2,500,000.00		2,484,401.05	(20,682.45)		4.000	4.056		493
<b>Passbook/Money Market Accounts</b>													
0001-3	Registered Warrant Investments			13,668.07	13,668.07		13,668.07	0.00	5.060	4.991	5.060		1
30890004	Key Bank			39.99	39.99		39.99	0.00	3.633	3.583	3.633		1
61320004	Key Bank			8,519,285.83	8,519,285.83		8,519,285.83	0.00	3.633	3.583	3.633		1
89980003	Key Bank			51,891,084.47	51,891,084.47		51,891,084.47	0.00	4.300	4.241	4.300		1
89980002	U.S. Bank - Municipal Investment Account			20,494,738.07	20,494,738.07		20,494,738.07	0.00	4.250	4.192	4.250		1
89980001	WA State Local Government Invest. Pool			49,308,781.41	49,308,781.41		49,308,781.41	0.00	4.160	4.103	4.160		1
Subtotal & Averages				130,227,597.84	130,227,597.84		130,227,597.84	0.00		3.903	3.957		1
<b>Grand Total</b>				<b><u>474,121,891.79</u></b>	<b><u>474,556,597.84</u></b>		<b><u>472,106,433.33</u></b>	<b><u>(2,015,458.46)</u></b>		<b>3.868</b>	<b>3.922</b>		<b><u>207</u></b>

### EXHIBIT 3

#### CLARK COUNTY TOTAL INVESTMENT PORTFOLIO AGING OF MATURING INVESTMENTS December 31, 2005

Days to Maturity	Book Value	% Maturing	Cumulative % Maturing
1	130,227,597.84	27.47%	27.47%
2 - 90	50,818,326.94	10.72%	38.19%
91 - 180	92,616,747.10	19.53%	57.72%
181 - 270	15,294,703.72	3.23%	60.95%
271 - 360	65,797,265.72	13.88%	74.82%
361 - 450	67,075,736.25	14.15%	88.97%
451 - 540	20,292,099.22	4.28%	93.25%
541 - 630	2,015,840.00	0.43%	93.68%
631 - 720	19,974,200.00	4.21%	97.89%
721 - 900	10,009,375.00	2.11%	100.00%
<b>TOTALS</b>	<b>\$474,121,891.79</b>	<b>100.00%</b>	



**Exhibit 4**

**CLARK COUNTY TOTAL INVESTMENT PORTFOLIO  
SUMMARY OF INVESTMENTS BY ISSUER  
December 31, 2005**

Issuer	Number of Investments	Book Value	% of Portfolio	Avg YTM (365)	Days to Maturity
Federal Farm Credit Bank	2	14,776,070.00	3.12%	4.010	393
Federal Home Loan Bank	13	70,378,588.87	14.84%	3.891	364
Federal Home Loan Mtg Corp.	8	77,270,148.95	16.30%	3.761	382
Federal National Mtg Association	15	89,141,145.69	18.80%	3.328	300
General Electric Capital Corp	1	9,929,044.44	2.09%	4.207	3
Key Bank	3	60,410,410.29	12.74%	4.300	1
Registered Warrants @ 5.06%	3	13,668.07	0.00%	5.440	1
Sterling Savings Bank	2	30,000,000.00	6.33%	4.453	151
UBS Financial Services		9,894,212.50	2.09%	4.288	39
US Bank - Municipal Investor Account	1	20,494,738.07	4.32%	3.640	1
US Bank	3	10,000,000.00	2.11%	4.492	120
Washington Mutual Bank	2	30,000,000.00	6.33%	4.181	92
Washington State Municipal Bonds	2	2,505,083.50	0.53%	4.056	493
Washington State Pool	1	49,308,781.41	10.40%	4.160	1
<b>TOTALS and AVERAGES</b>	<b>64</b>	<b>\$ 474,121,891.79</b>	<b>100.00%</b>	<b>3.922</b>	<b>207</b>

**EXHIBIT 5**

**CLARK COUNTY TOTAL INVESTMENT PORTFOLIO  
INVESTMENT ACTIVITY BY TYPE  
As of December 31, 2005**

NUMBER	ISSUER	STATED RATE	DATE	PURCHASES	MATURITIES	BALANCE
<b>CERTIFICATES OF DEPOSIT</b>				<b>BEGINNING BALANCE:</b>		<b>92,000,000.00</b>
89983078	Sterling Savings Bank	3.450	10/04/05		10,000,000.00	
89983106	Sterling Savings Bank	3.980	10/05/05	10,000,000.00		
89983108	Sterling Savings Bank	4.200	10/17/05	10,000,000.00		
89983072	Sterling Savings Bank	3.383	10/20/05		10,000,000.00	
89983109	Sterling Savings Bank	4.310	10/21/05	10,000,000.00		
89983061	U.S. Bank	3.370	11/01/05		10,000,000.00	
89983113	Cowlitz Bank	4.100	11/10/05	5,000,000.00		
89983114	U.S. Bank	4.430	11/14/05	10,000,000.00		
89983115	Sterling Savings Bank	4.850	11/29/05	10,000,000.00		
89983076	Washington Mutual	3.460	11/30/05		10,000,000.00	
89983075	U.S. Bank	3.475	12/01/05		10,000,000.00	
89983073	U.S. Bank	3.455	12/01/05		10,000,000.00	
89983117	Washington Mutual	4.450	12/08/05	10,000,000.00		
89983106	Sterling Savings Bank	3.980	12/28/05		10,000,000.00	
89983113	Cowlitz Bank	4.100	12/29/05		5,000,000.00	
89983059	Washington Mutual	3.380	12/30/05		10,000,000.00	
89983101	West Coast Bank	4.000	12/23/05		2,000,000.00	
SUBTOTALS and ENDING BALANCE - OCTOBER				30,000,000.00	20,000,000.00	102,000,000.00
SUBTOTALS and ENDING BALANCE - NOVEMBER				25,000,000.00	20,000,000.00	107,000,000.00
SUBTOTALS and ENDING BALANCE - DECEMBER				10,000,000.00	47,000,000.00	70,000,000.00
<b>COMMERCIAL PAPER - DISCOUNT</b>				<b>BEGINNING BALANCE:</b>		<b>0.00</b>
36959JA45	General Electric Capital Corp	4.120	11/03/05	9,929,044.44		
90262DB95	UBS Financial Services	4.185	11/10/05	9,894,212.50		
SUBTOTALS and ENDING BALANCE - OCTOBER				0.00	0.00	0.00
SUBTOTALS and ENDING BALANCE - NOVEMBER				19,823,256.94	0.00	19,823,256.94
SUBTOTALS and ENDING BALANCE - DECEMBER				0.00	0.00	19,823,256.94
<b>FEDERAL AGENCIES - DISCOUNT</b>				<b>BEGINNING BALANCE:</b>		<b>9,866,594.44</b>
313589MP5	Federatl National Mtg Association	3.245	10/05/05		9,866,594.44	
SUBTOTALS and ENDING BALANCE - OCTOBER				0.00	9,866,594.44	0.00
SUBTOTALS and ENDING BALANCE - NOVEMBER				0.00	0.00	0.00
SUBTOTALS and ENDING BALANCE - DECEMBER				0.00	0.00	0.00
<b>FEDERAL AGENCIES - SEMI ANNUAL COUPON</b>				<b>BEGINNING BALANCE:</b>		<b>240,710,813.51</b>
3133X7W42	Federal Home Loan Bank	2.500	10/04/05	995,070.00		
3128X3XZ	Federal Home Loan Mtg Corp	3.000	10/13/05	9,793,300.00		
3133X8SY9	Federal Home Loan Bank	2.500	10/13/05		9,901,180.00	
3128X4SL6	Federal Home Loan Mtg Corp	4.750	10/24/05	9,999,500.00		
3136F3SHO	Federal National Mtg Corp	2.050	11/21/05		10,006,250.00	
3128X4SL6	Federal Home Loan Mtg Corp	4.750	12/02/05	9,974,700.00		
SUBTOTALS and ENDING BALANCE - OCTOBER				20,787,870.00	9,901,180.00	251,597,503.51
SUBTOTALS and ENDING BALANCE - NOVEMBER				0.00	10,006,250.00	241,591,253.51
SUBTOTALS and ENDING BALANCE - DECEMBER				9,974,700.00	0.00	251,565,953.51
<b>MUNICIPAL BONDS</b>				<b>BEGINNING BALANCE:</b>		<b>2,505,083.50</b>
SUBTOTALS and ENDING BALANCE - OCTOBER				0.00	0.00	2,505,083.50
SUBTOTALS and ENDING BALANCE - NOVEMBER				0.00	0.00	2,505,083.50
SUBTOTALS and ENDING BALANCE - DECEMBER				0.00	0.00	2,505,083.50
<b>TREASURY SECURITIES - SLGS</b>				<b>BEGINNING BALANCE:</b>		<b>2,187,000.00</b>
536469590	Treasury Securities - SLGS	1.000	11/29/05		564,000.00	
536473140	Treasury Securities - SLGS	1.000	11/29/05		41,000.00	
536473060	Treasury Securities - SLGS	1.000	11/29/05		213,000.00	
536473150	Treasury Securities - SLGS	1.000	11/29/05		551,000.00	
536473170	Treasury Securities - SLGS	1.000	11/29/05		353,000.00	
536473200	Treasury Securities - SLGS	1.000	11/29/05		465,000.00	
SUBTOTALS and ENDING BALANCE - OCTOBER				0.00	0.00	2,187,000.00
SUBTOTALS and ENDING BALANCE - NOVEMBER				0.00	2,187,000.00	0.00
SUBTOTALS and ENDING BALANCE - DECEMBER				0.00	0.00	0.00

EXHIBIT 5

CLARK COUNTY TOTAL INVESTMENT PORTFOLIO  
INVESTMENT ACTIVITY BY TYPE  
As of December 31, 2005

NUMBER	ISSUER	STATED RATE	DATE	PURCHASES	MATURITIES	BALANCE
<b>CLARK COUNTY</b>				<b>BEGINNING BALANCE:</b>		<b>63,201.80</b>
OCTOBER	Registered Warrant Invest Acct	5.06%		119,643.25	176,532.06	6,312.99
NOVEMBER	Registered Warrant Invest Acct	5.25%		447.39	0.00	6,760.38
DECEMBER	Registered Warrant Invest Acct	5.44%		1,738,049.90	1,731,142.21	13,668.07
<b>Key Bank</b>				<b>BEGINNING BALANCE:</b>	<b>0.00</b>	<b>81,578,558.18</b>
OCTOBER	Money Market Savings Accounts	3.800		347,267.94	1,379,429.10	80,546,397.02
NOVEMBER	Money Market Savings Accounts	4.050		2,897,080.46	1,264,065.18	82,179,412.30
DECEMBER	Money Market Savings Accounts	4.300		10,337,144.24	32,106,146.25	60,410,410.29
<b>US BANK</b>				<b>BEGINNING BALANCE:</b>	<b>0.00</b>	<b>20,101,354.35</b>
OCTOBER	Municipal Investor Account	3.820		64,120.19	0.00	20,165,474.54
NOVEMBER	Municipal Investor Account	4.070		60,253,954.46	30,000,000.00	50,419,429.00
DECEMBER	Municipal Investor Account	3.750		75,309.07	30,000,000.00	20,494,738.07
<b>US BANK</b>				<b>BEGINNING BALANCE:</b>	<b>0.00</b>	<b>665,769.11</b>
OCTOBER	Escrow Retainage Account			0.00	0.00	665,769.11
NOVEMBER	Escrow Retainage Account			0.00	665,769.11	0.00
DECEMBER	Escrow Retainage Account				0.00	0.00
<b>STATE POOL</b>				<b>BEGINNING BALANCE:</b>		<b>34,770,138.37</b>
OCTOBER	Washington State Pool	3.760		70,143,056.98	21,600,000.00	83,313,195.35
NOVEMBER	Washington State Pool	3.435		56,078,267.39	114,700,000.00	24,691,462.74
DECEMBER	Washington State Pool	3.614		63,117,318.67	38,500,000.00	49,308,781.41
				<b>BEGINNING BALANCE:</b>	<b>PURCHASES</b>	<b>MATURITIES</b>
OCTOBER	<b>TOTALS</b>			<b>484,448,513.26</b>	<b>121,461,958.36</b>	<b>62,923,735.60</b>
NOVEMBER	<b>TOTALS</b>			<b>542,986,736.02</b>	<b>164,053,006.64</b>	<b>178,823,084.29</b>
DECEMBER	<b>TOTALS</b>			<b>528,216,658.37</b>	<b>95,242,521.88</b>	<b>149,337,288.46</b>
					<b>ENDING BALANCE:</b>	
OCTOBER	<b>TOTALS</b>					<b>542,986,736.02</b>
NOVEMBER	<b>TOTALS</b>					<b>528,216,658.37</b>
DECEMBER	<b>TOTALS</b>					<b>474,121,891.79</b>

**Exhibit 6**

**CLARK COUNTY INVESTMENT POOL PORTFOLIO  
DISTRIBUTION OF INVESTMENTS BY TYPE  
December 31, 2005**

Investments	Book Value	Percent of Portfolio	Average Days to Maturity	Yield to Maturity	
				360 Equivalent	365 Equivalent
Certificates of Deposit	70,000,000.00	16.38%	120	4.280	4.340
Commercial Paper - Discount	19,823,256.94	4.64%	20	4.190	4.248
Federal Agencies - Semi-annual	213,253,838.57	49.91%	362	3.594	3.644
Municipal Bonds	2,505,083.50	0.59%	492	4.000	4.056
Passbook/Money Market Accts	121,694,603.95	28.48%	1	4.096	4.153
<b>Total</b>	<b>427,276,782.96</b>	<b>100.00%</b>	<b>205</b>	<b>3.901</b>	<b>3.955</b>
Accrued Interest at Purchase	356,786.32				
<b>Total Cash and Investments</b>	<b><u>427,633,569.28</u></b>				

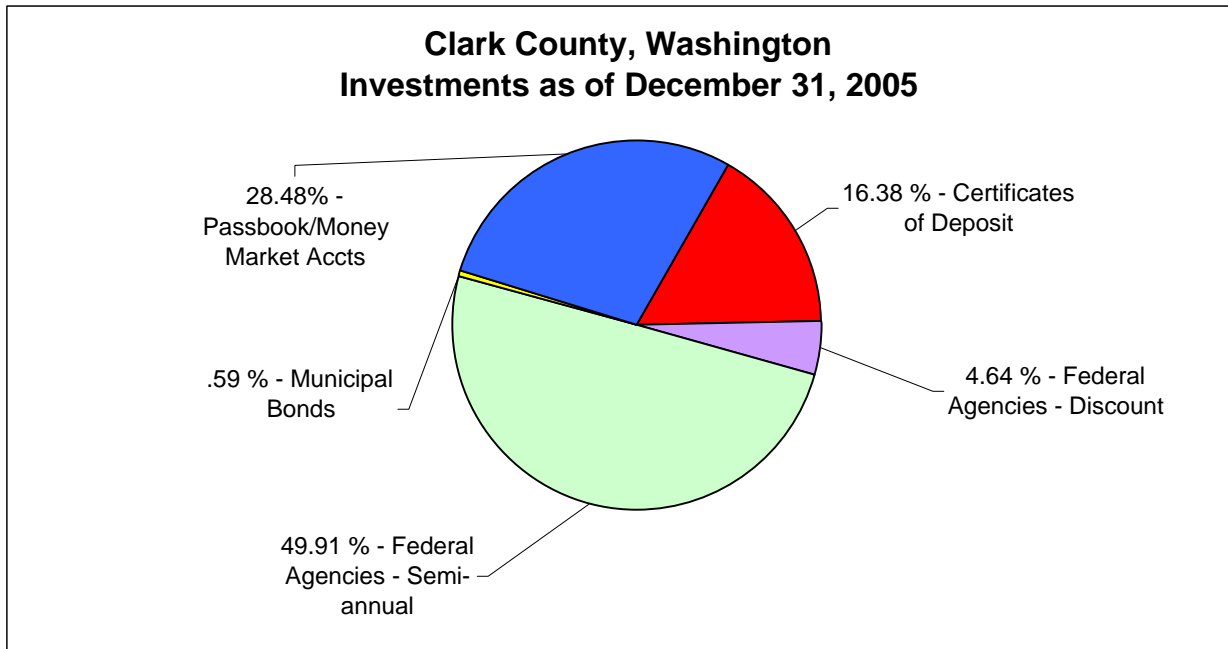




EXHIBIT 7  
**CLARK COUNTY, WASHINGTON**  
**CLARK COUNTY INVESTMENT POOL PORTFOLIO**  
**December 31, 2005**

Investment Number		Purchase Date	Cusip Number	Book Value	Par Value	Market Price 12/30/2005	Market Value	Cash Gain/(Loss) on Security	Coupon Rate	Yield to Maturity 360 365	Maturity Date	Days to Maturity	
Certificates of Deposit													
89983115	Sterling Savings Bank	11/29/2005		10,000,000.00	10,000,000.00		10,000,000.00		4.784	4.784	4.850	11/29/06	332
89983108	Sterling Savings Bank	10/17/2005		10,000,000.00	10,000,000.00		10,000,000.00		4.142	4.142	4.200	02/14/06	44
89983109	Sterling Savings Bank	10/21/2005		10,000,000.00	10,000,000.00		10,000,000.00		4.251	4.251	4.310	03/20/06	78
89983114	US Bank	11/14/2005		10,000,000.00	10,000,000.00		10,000,000.00		4.430	4.430	4.492	05/01/06	120
89983094	Washington Mutual Bank	8/3/2005		10,000,000.00	10,000,000.00		10,000,000.00		3.900	3.900	3.954	01/30/06	29
89983100	Washington Mutal Bank	9/15/2005		10,000,000.00	10,000,000.00		10,000,000.00		4.020	4.020	4.075	06/01/06	151
89983117	Washington Mutual Bank	12/8/2005		10,000,000.00	10,000,000.00		10,000,000.00		4.450	4.450	4.512	04/07/06	96
Subtotal & Averages				70,000,000.00	70,000,000.00		70,000,000.00			4.28	4.34		121
Commercial Paper - Discount													
89983111	General Electric Capital Corp	11/03/05	313589MP5	9,929,044.44	10,000,000.00	99.946	9,994,611.00	65,566.56	-	4.120	4.207	01/04/06	3
89983112	UBS Financial Services	11/10/05	90262DB95	9,894,212.50	10,000,000.00	99.516	9,951,597.00	57,384.50	-	4.185	4.288	02/09/06	39
Subtotal & Averages				19,823,256.94	20,000,000.00		19,946,208.00	122,951.06		4.19	4.25		21
Federal Agencies - Semi Annual Coupon													
89982975	Federal Home Loan Mtg. Corp.	09/23/03	3134A4SX	10,073,900.00	10,000,000.00	99.384	9,938,420.00	(135,480.00)	2.375	2.047	2.075	04/15/06	104
89983003	Federal Nat'l Mtg Assoc.	09/22/04	3136F6CF40	10,000,000.00	10,000,000.00	98.797	9,879,666.00	(120,334.00)	3.000	2.959	3.000	09/22/06	264
89983005	Federal Nat'l Mtg Assoc.	10/12/04	3136F6EP0	10,000,000.00	10,000,000.00	98.701	9,870,102.00	(129,898.00)	3.010	2.969	3.010	10/12/06	284
89983013	Federal Home Loan Mtg. Corp.	10/15/2004	3128X3GT4	7,999,375.00	8,000,000.00	99.340	7,947,186.40	(52,188.60)	3.000	2.963	3.004	06/02/06	152
89983014	Federal Nat'l Mtg Assoc.	10/26/04	3136FAF458	10,007,000.00	10,000,000.00	98.406	9,840,594.00	(166,406.00)	3.125	3.048	3.090	12/29/06	362
89983021	Federal Home Loan Mtg. Corp.	11/5/2004	3128X2AH8	9,998,500.00	10,000,000.00	98.510	9,851,043.00	(147,457.00)	3.000	2.966	3.007	11/17/06	320
89983022	Federal Nat'l Mtg Assoc.	11/8/2004	3136FAF458	9,987,000.00	10,000,000.00	98.406	9,840,594.00	(146,406.00)	3.125	3.143	3.187	12/29/06	362
89983034	Federal Home Loan Bank	11/22/04	3133X9KN9	9,975,300.00	10,000,000.00	99.340	9,934,031.00	(41,269.00)	2.875	3.002	3.044	05/22/06	141
89983036	Federal Nat'l Mtg Assoc.	12/17/04	31359MVW0	9,999,260.00	10,000,000.00	99.280	9,928,019.00	(71,241.00)	3.150	3.111	3.154	06/30/06	180
89983049	Federal Nat'l Mtg Assoc.	01/05/05	3159MWX7	9,984,000.00	10,000,000.00	98.706	9,870,588.00	(113,412.00)	3.375	3.413	3.460	12/15/06	348
89983051	Federal Nat'l Mtg Assoc.	02/01/05	31359MXN8	9,992,000.00	10,000,000.00	98.712	9,871,152.00	(120,848.00)	3.550	3.543	3.592	01/30/07	394
89983055	Federal Home Loan Bank	02/17/05	3133MEU66	10,237,370.00	10,000,000.00	100.271	10,027,120.00	(210,250.00)	5.375	3.359	3.406	05/15/06	134
89983056	Federal Farm Credit Bank	02/22/05	3133X8SY9	5,094,500.00	5,000,000.00	99.801	4,990,069.00	(104,431.00)	4.600	3.522	3.571	01/23/07	387
89983065	Federal Home Loan Bank	05/06/05	3133XB5Z4	4,999,250.00	5,000,000.00	99.058	4,952,897.00	(46,353.00)	4.000	3.952	4.007	04/05/07	459
89983066	Federal Home Loan Bank	05/06/05	3133XB5Z4	4,999,500.00	5,000,000.00	99.058	4,952,897.00	(46,603.00)	4.000	3.949	4.004	04/05/07	459
89983067	Federal Home Loan Mtg. Corp.	5/16/2005	3128X4AR2	5,000,000.00	5,000,000.00	99.141	4,957,039.50	(42,960.50)	4.010	3.958	4.013	02/16/07	411
89983068	Federal Home Loan Mtg. Corp.	5/16/2005	3128X4AR2	4,998,750.00	5,000,000.00	99.141	4,957,039.50	(41,710.50)	4.010	3.973	4.028	02/16/07	411
89983077	Federal Home Loan Bank	06/02/05	3133XBVU6	10,009,375.00	10,000,000.00	98.944	9,894,405.00	(114,970.00)	4.450	4.356	4.416	06/02/08	883
89983099	Federal Farm Credit Bank	09/15/05	31331SU3	9,681,570.00	9,700,000.00	99.255	9,627,727.24	(53,842.76)	4.100	4.182	4.240	02/01/07	396
89983102	Federal Home Loan Bank	09/29/05	3133MKEDS	4,823,750.82	4,795,000.00	100.093	4,799,459.35	(24,291.47)	4.875	4.261	4.320	11/15/06	318
89983103	Federal Home Loan Bank	09/29/05	3133X2B46	4,914,345.00	5,000,000.00	98.311	4,915,568.50	1,223.50	2.750	4.261	4.320	11/15/06	318
89983104	Federal Home Loan Bank	09/29/05	3133X9R69	9,716,522.75	9,845,000.00	98.626	9,709,708.04	(6,814.71)	3.125	4.261	4.320	11/15/06	318
89983105	Federal Home Loan Bank	10/04/05	3133X7W4	995,070.00	1,000,000.00	99.863	998,625.20	3,555.20	2.500	4.016	4.072	01/27/06	26
89983107	Federal Home Loan Mtg. Corp.	10/13/2005	3128X3Xz	9,793,300.00	10,000,000.00	97.868	9,786,839.00	(6,461.00)	3.000	4.418	4.479	03/28/07	451
89983110	Federal Home Loan Mtg. Corp.	10/24/2005	3128X4SL6	9,999,500.00	10,000,000.00	99.828	9,982,824.00	(16,676.00)	4.750	4.688	4.753	10/24/07	661
89983116	Federal Home Loan Mtg. Corp.	12/2/2005	3128X4SL6	9,974,700.00	10,000,000.00	99.828	9,982,824.00	8,124.00	4.750	4.822	4.889	10/24/07	661
Subtotal & Averages				213,253,838.57	213,340,000.00		211,306,437.73	(1,947,400.84)		3.593	3.643		363
Municipal Bonds													
89983097	Washington State Bonds	09/07/05	93974AJR6	2,015,840.00	2,000,000.00	99.688	1,993,751.40	(22,088.60)	4.500	3.985	4.040	07/01/07	546
89983098	Washington State Bonds	09/14/05	939758AW8	489,243.50	500,000.00	98.13	490,649.65	1,406.15	2.000	4.063	4.119	10/01/06	273
Subtotal & Averages				2,505,083.50	2,500,000.00		2,484,401.05	(20,682.45)		4.000	4.056		493

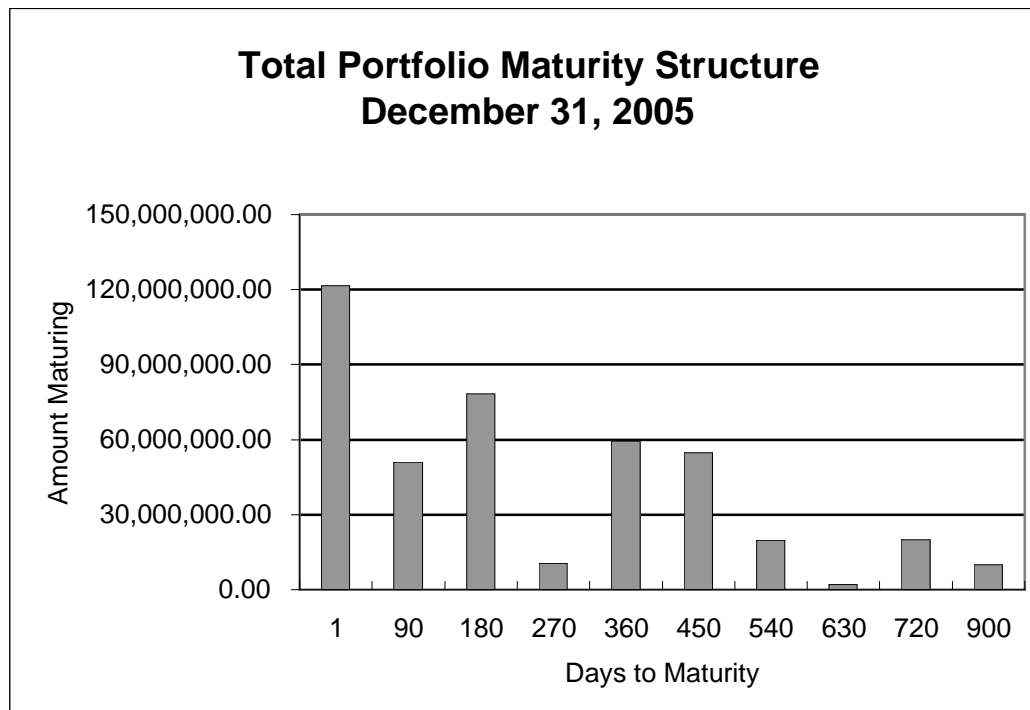
EXHIBIT 7  
**CLARK COUNTY, WASHINGTON**  
**CLARK COUNTY INVESTMENT POOL PORTFOLIO**  
**December 31, 2005**

Investment Number	Purchase Date	Cusip Number	Book Value	Par Value	Market Price 12/30/2005	Market Value	Cash Gain/(Loss) on Security	Coupon Rate	Yield to Maturity 360      365	Maturity Date	Days to Maturity
<b>Passbook/Money Market Accounts</b>											
89980003		Key Bank	51,891,084.47	51,891,084.47		51,891,084.47	0.00	4.300	4.241	4.300	1
89980002		U.S. Bank - Municipal Investment Account	20,494,738.07	20,494,738.07		20,494,738.07	0.00	4.250	4.192	4.250	1
89980001		WA State Local Government Invest. Pool	49,308,781.41	49,308,781.41		49,308,781.41	0.00	4.160	4.103	4.160	1
Subtotal & Averages			121,694,603.95	121,694,603.95		121,694,603.95	0.00		4.177	4.235	1
<b>Grand Total</b>			<b><u>427,276,782.96</u></b>	<b><u>427,534,603.95</u></b>		<b><u>425,431,650.73</u></b>	<b><u>(1,845,132.23)</u></b>		<b>3.901</b>	<b>3.955</b>	<b><u>205</u></b>

**EXHIBIT 8**

**CLARK COUNTY INVESTMENT POOL  
AGING OF MATURING INVESTMENTS  
December 31, 2005**

<u>Days to Maturity</u>	<u>Book Value</u>	<u>% Maturing</u>	<u>Cumulative % Maturing</u>
1	\$121,694,603.95	28.48%	28.48%
2 - 90	50,818,326.94	11.89%	40.37%
91 - 180	78,285,205.00	18.32%	58.70%
181 - 270	10,489,243.50	2.45%	61.15%
271 - 360	59,437,118.57	13.91%	75.06%
361 - 450	54,760,820.00	12.82%	87.88%
451 - 540	19,792,050.00	4.63%	92.51%
541 - 630	2,015,840.00	0.47%	92.98%
631 - 720	19,974,200.00	4.67%	97.66%
720- 900	10,009,375.00	2.34%	100.00%
<b>TOTALS</b>	<b>\$427,276,782.96</b>	<b>100.00%</b>	



**Exhibit 9**

**CLARK COUNTY INVESTMENT PORTFOLIO  
SUMMARY OF INVESTMENTS BY ISSUER  
December 31, 2005**

Issuer	Number of Investments	Book Value	% of Portfolio	Avg YTM (365)	Days to Maturity
Federal Farm Credit Bank	2	14,776,070.00	3.46%	4.010	393
Federal Home Loan Bank	9	60,670,483.57	14.20%	3.916	370
Federal Home Loan Mtg Corp.	8	67,838,025.00	15.88%	3.764	401
Federal National Mtg Association	7	69,969,260.00	16.38%	3.213	313
General Electric Capital Corp	1	9,929,044.44	2.32%	4.207	3
Key Bank	1	51,891,084.47	12.14%	4.300	1
Sterling Savings Bank	3	30,000,000.00	7.02%	4.453	151
UBS Financial Services	1	9,894,212.50	2.32%	4.288	39
US Bank	1	10,000,000.00	2.34%	4.492	120
US Bank - Municipal Investor Account	1	20,494,738.07	4.80%	4.220	1
Washington Mutual Bank	3	30,000,000.00	7.02%	4.181	92
Washington State Municipal Bonds	2	2,505,083.50	0.59%	4.056	584
Washington State Pool	1	49,308,781.41	11.54%	4.160	1
<b>TOTALS and AVERAGES</b>	<b>40</b>	<b>\$ 427,276,782.96</b>	<b>100.00%</b>	<b>3.955</b>	<b>205</b>

# **Exhibit 10** **County Pool vs. State Pool** **1/95 - 12/05**

Overall, \$19.9 million increased interest income realized from Pooling from January 1989 to December 2005

